



House of Representatives

General Assembly

File No. 184

February Session, 2008

Substitute House Bill No. 5520

House of Representatives, March 26, 2008

The Committee on Insurance and Real Estate reported through REP. O'CONNOR of the 35th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING NOTIFICATION BY SURPLUS LINES INSURERS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 38a-745 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2008*):

3 Each insurance policy issued pursuant to sections 38a-741 to 38a-
4 744, inclusive, 38a-777 and 38a-794 by a surplus lines insurer shall bear
5 on its cover, in not less than [ten-point] twelve-point bold [red] type,
6 the following:

7 NOTICE

8 This policy is not protected by the Connecticut Insurance Guaranty
9 Association.

| |
|---|
| This act shall take effect as follows and shall amend the following sections: |
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| | | |
|-----------|------------------------|---------|
| Section 1 | <i>October 1, 2008</i> | 38a-745 |
|-----------|------------------------|---------|

INS *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

This bill makes technical changes and will result in no fiscal impact to the Department of Insurance.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 5520*****AN ACT CONCERNING NOTIFICATION BY SURPLUS LINES INSURERS.*****SUMMARY:**

This bill requires the notice regarding the Connecticut Insurance Guaranty Association that surplus lines insurers' must include on the cover of their policies to be printed in at least 12-point bold type, instead of 10-point red bold type. The notice says "This policy is not protected by the Connecticut Insurance Guaranty Association."

The association, which property and casualty insurers fund through assessments, pays qualifying claims from state residents against insolvent insurance companies. A surplus lines insurer is an unauthorized insurer (i.e., an insurer not licensed to do business in Connecticut).

EFFECTIVE DATE: October 1, 2008

COMMITTEE ACTION

Insurance and Real Estate Committee

Joint Favorable Substitute

Yea 18 Nay 0 (03/06/2008)